

ECONOMIC BASE

Colorado has a diverse economic base. The state is not dependent on any single sector, but has a strong core of businesses in a variety of high-tech and traditional sectors. Colorado's strength in mature high tech industries such as telecommunications, software development, and high tech manufacturing has resulted in one of the highest concentrations of high tech workers among all 50 states, ranking third. Emerging industries such as biotech, photonics, homeland security and aerospace, nanotech and renewable energy are gaining momentum.

- Eleven Fortune 500 companies are headquartered in Colorado.
- Colorado is a major transportation center.
 - Colorado has 17 commercial and 62 general aviation airports located throughout the state.
 - Denver International Airport (DIA) was the fourth busiest in the US in the first Quarter 2007, and 11th busiest in the world.
 - DIA set a new passenger traffic record in 2006, serving 47.3 million passengers, up 9.1% from 2005, and the third straight record-setting year.
 - Colorado serves as a key distribution center for the growing Rocky Mountain Region. An excellent system of highway and rail transportation supports this activity.
 - Exports of manufactured products totaled almost \$8 billion in 2006.

Colorado has a diverse manufacturing base, especially in high-tech durable goods. The largest manufacturing sub-sector, computer and electronic products manufacturing, has almost 30,000 employees in 500 companies.

Among the state's largest industry sectors are Information, Professional & Technical Services. Included within these categories are telecommunications, Internet services, software development, temporary employment agencies, and advertising, among others. Professional services such as health services, legal and engineering, are also major components of this sector.

Agriculture and mining are Colorado's traditional economic strongholds—

- Farm and ranch market receipts (including forestry and government payments) totaled over \$5.6 billion in 2006.
- Colorado mineral production, including oil & gas, coal, and other minerals, reached a record high of \$12.3 billion in 2006, a 16% increase over 2005, due to record production and high energy prices.

Tourism is a major component of Colorado's economic base. It encompasses a cross section of economic sectors, though not reported as a separate economic sector. Accommodations & Food Services, along with Recreation Services, provide a reasonable indication of tourism activity. Visitors are drawn to Colorado year round, for the world-class skiing in the winter months, and the myriad of recreational activities and breathtaking scenery in the summer. Colorado's travel and tourism industry generated over \$14.1 billion in 2006. Of this total, \$8.9 billion was from domestic overnight visitors. The remainder was from international visitors, day trips and travel purchases by Colorado residents.

Colorado has a robust aerospace industry going back to the 1950s. Its 21st Century incarnation is exemplified by the recent emergence of United Launch Alliance (ULA), a joint venture of Lockheed Martin and Boeing. The new partnership, headquartered in Denver, has brought over 1,500 new aerospace jobs to the region.

The ULA announcement follows on the heels of a prior announcement that Lockheed Martin received an \$8.2 billion Orion contract to build the next generation space vehicle. The Orion team is expected to grow from 250 currently to as many as 600.

Renewable energy in another emerging industry where Colorado is poised to become a global leader. Vestas Wind Systems of Denmark recently broke ground in Windsor, Colorado, on a 200,000 square-foot blade production facility to serve the growing US wind power market. It will have a capacity of 1,200 blades per year and will employ around 400 workers.

Across all industry sectors, Colorado is dominated by small business. They are truly the backbone of the Colorado economy. New company formation in Colorado ranks near the top of the nation, and these companies are responsible for a substantial share of new job creation as well.

Entrepreneurial activity continues to be a foundation for Colorado's economic vitality. Colorado ranks 2nd in business starts per capita, as well as in percent of high tech firms. Colorado also ranks 5th in Inc. 500 companies per 10,000 businesses. The Inc. 500 25th annual list of the 500 fastest growing private companies in the U.S. included 11 Colorado companies.

Colorado is home to over **46,000 minority-owned businesses** with annual sales and receipts exceeding \$9 billion. Approximately 37,000 of these are sole proprietors, and the remaining 9,000 are firms employing over 66,000 Colorado workers. Approximately one-third of the minority-owned businesses are also woman-owned.

Women-owned businesses in Colorado numbered over 135,000 according to the preliminary 2002 Economic Census estimate. Of these, 113,726 were sole proprietors, and 21,498 were firms employing 129,000 workers. Total women-owned business sales and receipts were \$13.7 billion.

Colorado's Largest Private Sector Employers – 2006

Rank	Company	Type of Business	Colorado Employees
1	Wal-Mart	Discount Stores	23,906
2	Kroger (King Soopers/City Market)	Supermarkets	17,118
3	Centura Health	Health Care	12,000
4	Lockheed Martin	Aerospace & Defense	10,750
5	Safeway, Inc.	Supermarkets	10,561
6	Qwest Communications Int'l.	Telecommunications	9,700
7	HCA-HealthOne LLC	Health Care	8,700
8	Target Stores	Discount Retailer	6,865
9	Exempla Healthcare	Hospital	6,860
10	Wells Fargo	Banking/Financial Services	5,700

Rank	Company	Type of Business	Colorado Employees
11 (tie)	Alpine Access	Call Center	5,500
11 (tie)	UAL Corp (United Airlines)	Air Transportation	5,500
13	University of Denver	Private university	5,034
14	EchoStar Communications	Satellite Television	5,000
15 (tie)	Kaiser Permanente	Health Maintenance Org.	4,800
15 (tie)	United Parcel Service	Delivery Services	4,800
17	Albertsons*	Supermarkets	4,500
18	Frontier Airlines	Air Transportation	4,400
19	IBM	Computers	4,200
20	Comcast	Cable Service Provider	4,000
21	Ball Corporation	Containers, Aerospace	3,700
22	Banner Health Western Region - Northern Colorado	Health Care	3,650
23	Xcel Energy	Utility	3,595
24	Great-West Life & Annuity	Insurance	3,548
25 (tie)	Molson Coors Brewing Company	Brewery	3,500
25 (tie)	Administaff, Inc.	Employee Leasing	3,500
27	Agilent Technologies	Diversified Technology	3,320
28	The Children' Hospital	Health Care	3,059
29	Penrose-St. Francis Health Serv.	Health Care	3,000
30	Swift & Company	Meat Processing	3,000

* Significant store closings in 2006 will reduce this number during the year.

Source: Denver, CO Springs & Northern Colorado Business Journal 2007 *Books of Lists*

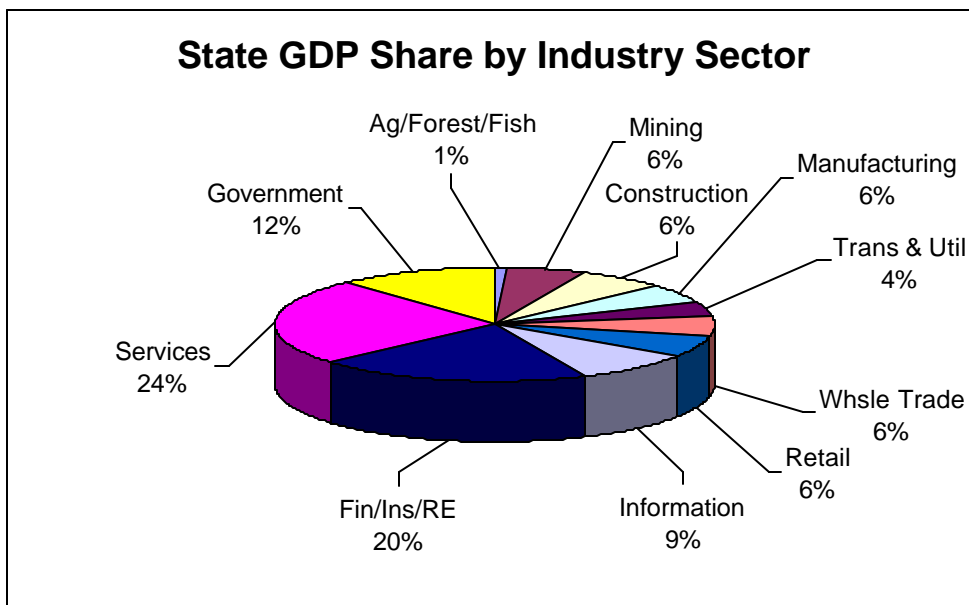
Colorado State Gross Domestic Product (GDP)

Colorado's 2006 GDP - \$230.5 Billion

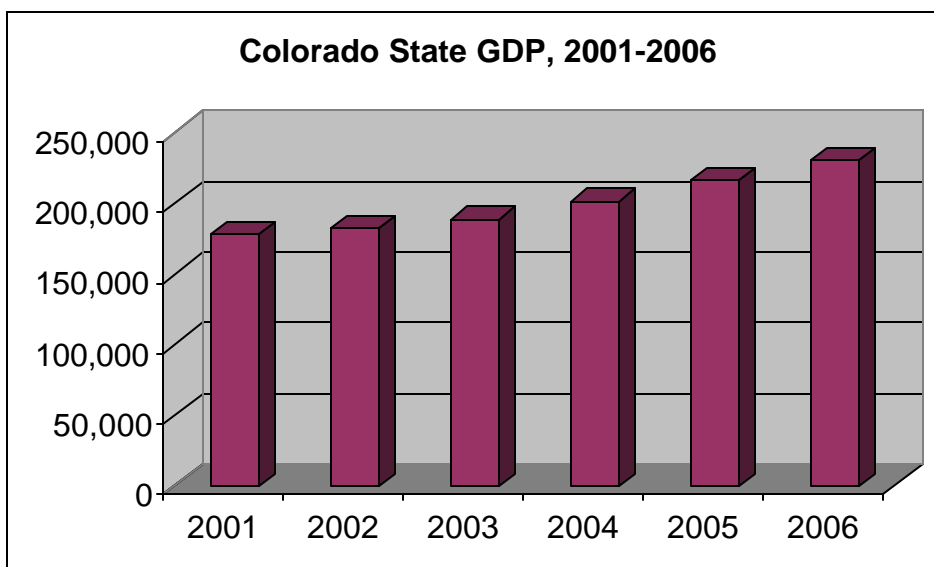
TOTAL STATE GDP, 2006	Billions of Dollars
Industry Detail	
Agriculture/Forestry/Fisheries	\$1.9
Mining	\$12.8
Construction	\$14.3
Manufacturing	\$15.0
Transportation & Utilities	\$9.1
Wholesale Trade	\$12.5
Retail Trade	\$13.8
Information	\$19.5
Finance, Insurance, & Real Estate	\$45.1
Services	\$55.5
Government	\$26.5

Notes: Sector totals will not equal total GSP due to rounding and netting out of unallocated activity.

Source: Bureau of Economic Analysis, June 2007



Colorado's state GDP grew by 4.9% from 2005-2006, making it the 8th fastest growing state in terms of GDP increase. Colorado's per capita GDP in 2006 was \$41,798, ranking 7th among all states.



International Trade

The State of Colorado, along with the rest of the nation, has benefited from greater international demand and stronger foreign currencies, which make American products more competitive. In 2006, Colorado exports reached \$7.9 billion, breaking the state's previous record of \$6.8 billion in 2005.

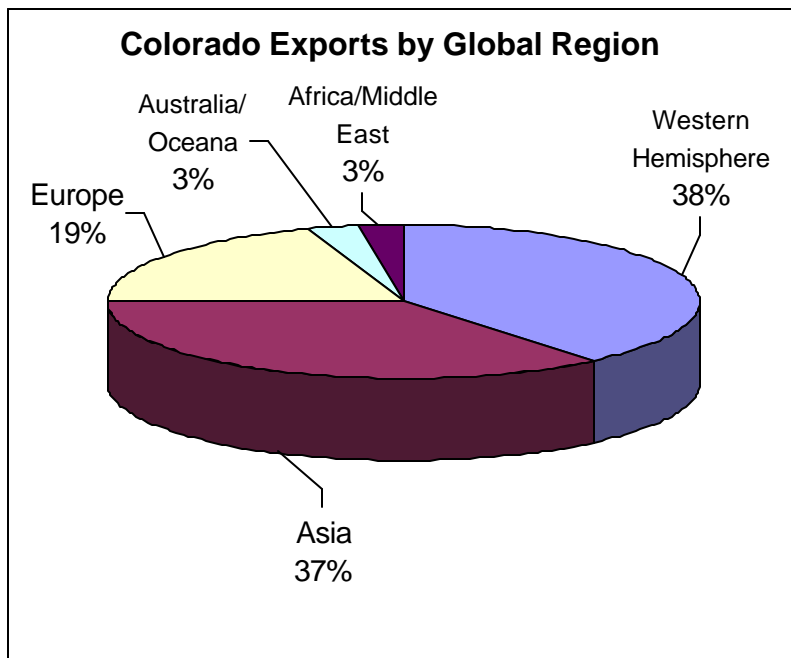
High-tech products, including semiconductors, computers and peripherals, analytical and measuring instruments, office machine components, and telecommunications equipment dominate top export sectors. High tech exports make up over 61% of total Colorado exports. Colorado's top trading partners are Canada, China (including Hong Kong), Mexico, Malaysia, Korea, Japan, Germany, Taiwan, the United Kingdom and France.

Colorado's Top Manufactured Export Products, 2006

Product Description	2006 Annual Exports
<i>Total – All Commodities</i>	<i>\$7,955,966,266</i>
Industrial Machinery, Including Computers	2,346,387,584
Electrical Machinery, Sound Equip., TV Equip. etc.	1,954,665,665
Optic, Photo, Medical or Surgical Instruments	895,318,404
Photographic or Cinematographic Goods	406,897,893
Aircraft, Spacecraft & Parts	165,016,211
Organic Chemicals	138,755,711
Plastics and Plastic Products	120,954,838
Mineral Fuel, Oil, Bitumin Subst., Mineral Wax	119,164,785
Fabricated Aluminum Products	109,770,719
Iron & Steel	83,440,938
Total-Top Ten Commodities	\$6,340,372,748
All other commodities (incl. Ag exports)	\$1,615,593,518

Colorado's Top Trading Partners, 2006

Canada is Colorado's largest trading partner, with over \$1.8 billion in products going there. Mexico, Colorado's second largest market, accounted for over \$1 billion in exports in 2006, an increase of 20% over 2005. Other major export markets, in descending order, were Taiwan (\$706.7 million), Mainland China (\$583.7 million), Japan at \$399 million, Germany (\$370.7 million), followed by Malaysia, South Korea, the United Kingdom, France, Australia and Hong Kong, each receiving over \$200 million in Colorado exports.



Sources: Data from the Census Bureau, Foreign Trade Division Prepared by WISER.